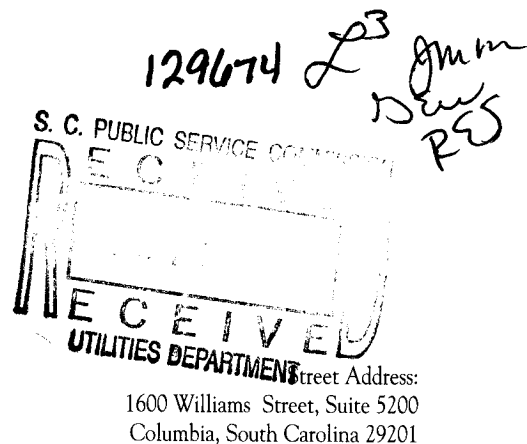




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**Caroline N. Watson**  
General Counsel - South Carolina



March 11, 2002



The Honorable Gary E. Walsh  
Executive Director  
Public Service Commission of SC  
Post Office Drawer 11649  
Columbia, South Carolina 29211

Re: Application of BellSouth Telecommunications, Inc. to  
Provide In-Region InterLATA Services Pursuant to  
Section 271 of the Telecommunications Act of 1996  
Docket No. 2001-209-C

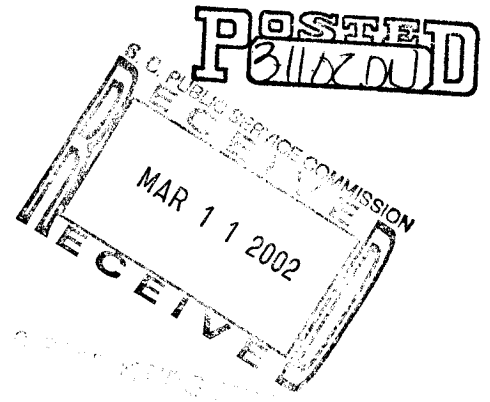
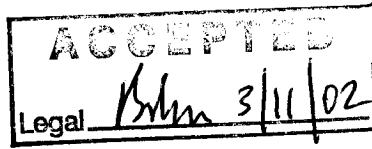
Dear Mr. Walsh:

Enclosed please find for filing an original and 15 copies  
of BellSouth's Motion for Reconsideration of Order No. 2002-77.  
By copy of this letter, I am serving all parties of record with  
a copy of this pleading as indicated on the attached Certificate  
of Service.

Sincerely,

Caroline N. Watson

CNW/nml  
Enclosure  
cc: All Parties of Record



BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2001-209-C

IN RE: )  
)  
Application of BellSouth )  
Telecommunications, Inc. to )  
Provide In-Region InterLATA )  
Services Pursuant to Section )  
271 of the Telecommunications )  
Act of 1996 )  
\_\_\_\_\_ )

BELLSOUTH'S MOTION FOR  
RECONSIDERATION OF  
ORDER NO. 2002-77

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to 26 S.C.Code Ann.Reg. 103-881 (Supp. 1998), S.C. Code Ann. § 58-9-1200 (1976), and other applicable provisions of this Commission's Rules of Practice and Procedure, hereby moves for an order requesting the Public Service Commission of South Carolina ("Commission") to reconsider portions of Order No. 2002-77, dated February 14, 2002, and received by BellSouth on February 22, 2002.

BellSouth respectfully requests that the Commission reconsider two limited issues in its decision. First, BellSouth requests that the Commission reconsider its decision to make the new Change Control Process ("CCP") measure a Tier 1 penalty as opposed to a Tier 2 penalty. Second, BellSouth requests that the

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Commission include certain clarifying language in its order to reconcile its decisions on recovery of loop additive costs in this docket and in the UNE Cost Docket.

In its Order, the Commission approved the Self-Effectuating Enforcement Plan ("SEEM") proposed by BellSouth with specified exceptions. First, the Commission ordered that BellSouth rename its SEEM to the "Incentive Payment Plan" ("IPP"). Second, the Commission ordered that the IPP will be effective upon BellSouth's 271 approval by the FCC in South Carolina. (Order No. 2002-77, Docket No. 2001-209-C). Third, the Commission ordered BellSouth to "implement a metric assessing BellSouth's responsiveness to CLEC-initiated changes submitted to the CCP. Further, the Commission orders BellSouth to include at least one payment category for the effectiveness of the CCP under Tier 1 of the IPP." (Order No. 2002-77, p.70)

It is the third set of modifications to the SEEM for which BellSouth seeks reconsideration. Specifically, BellSouth requests that the Commission reconsider its decision to require BellSouth to pay Tier 1 penalties on the new CCP measurement. Because the CCP is an industry-wide and region-wide forum, the appropriate penalty for any CCP measure is a Tier 2 penalty. For the reasons set forth below, BellSouth moves this Commission to reconsider its decision that the new CCP measurement will have a Tier 1 penalty, and order instead that a Tier 2 penalty be assessed.

With respect to the loop additive, BellSouth requests that the Commission add language clarifying that while a ULM additive charge is consistent with Section 271 compliance, the Commission denied BellSouth's request to recover such a charge in Docket No. 2001-65-C.

### DISCUSSION

#### A. Tier 2 Penalty For CCP Measure

Under the IPP, there are two types of penalty payments - a Tier 1 payment and a Tier 2 payment. Tier 1 penalties are self-executing liquidated damages paid directly to the CLEC when BellSouth delivers non-compliant performance on any Tier 1 measurement. Tier 2 penalties, on the other hand, are assessments paid directly to the Commission or its designee. Tier 1 penalties address CLEC-specific harms; Tier 2 penalties address harm to the CLEC industry as a whole.

The CCP measure ordered by the Commission should be a Tier 2 measure. The CCP measure that the Commission has ordered BellSouth to implement addresses BellSouth's performance with respect to the CCP. The CCP is an industry-wide forum that is open to CLECs that operate in any of BellSouth's nine states. The industry participants propose changes to the CLEC interfaces to BellSouth's operating systems; changes which are then prioritized by the participants and implemented in a software release that affect CLECs as a group and region-wide.

While an individual CLEC may propose a change, the proposed change is considered and prioritized by all members of the CCP. Once the change request is submitted into the CCP, therefore, it becomes an industry change request, not a request of an individual CLEC. Thus, if BellSouth fails to meet the implementation date on that change request, BellSouth has failed to meet a commitment to the industry as a whole.

There are several practical reasons why including a CCP penalty in Tier 1 is inappropriate. First, the Tier 2 penalty will provide BellSouth with an incentive, in addition to those incentives that already exist, to be responsive to CLEC-initiated change requests. There is no increased incentive achieved for addressing CLEC-initiated changes submitted to the CCP by including the CCP measurement as part of Tier 1 of the IPP. Second, there are CLECs who do not operate in South Carolina that are active participants of the CCP and that submit change requests to the CCP. If a Tier 1 penalty is applied to the CCP measure, it is possible that BellSouth would be ordered to pay a penalty by the SCPSC to an individual CLEC that does not even operate in South Carolina. This difficulty is remedied by using a Tier 2 penalty as opposed to a Tier 1 penalty.

Finally, measurements ordered in one state are often considered as candidates for inclusion in another state's measurement plan. Thus, a CCP measurement with a Tier 1 enforcement mechanism in South Carolina could eventually be

adopted by other states in the BellSouth region. In such a situation, a CLEC with operations in multiple BellSouth states would receive multiple penalties for the same failure(i.e. BellSouth could be ordered to pay CLEC A nine times for the same miss).

In summary, BellSouth does not dispute the Commission's finding that the new CCP measure ordered by the Commission should be included in the IPP. BellSouth does respectfully request, however, that the penalty associated with the CCP measurement should be a Tier 2 penalty rather than a Tier 1 penalty.

#### B. Clarifying Language For Loop Additive

In Docket No. 2001-65-C, the UNE Cost Docket, the Commission denied BellSouth's request to recover a ULM additive charge. In order to ensure that the Order in this case is consistent with the Commission's decision in the UNE Docket, BellSouth proposes that the Commission include the following language in its Section 271 Order:

While a ULM additive charge is consistent with Section 271 compliance, the Commission denied BellSouth's request to recover the ULM additive charge in Docket No. 2001-65-C. The Commission's decision to deny the charge should address the CLEC concerns voiced in the Section 271 proceeding.

CONCLUSION

WHEREFORE, for the reasons set forth above, BellSouth moves this Commission to reconsider its decision to apply a Tier 1 penalty to the new CCP measurement and order instead that a Tier 2 penalty be applied. Second, BellSouth requests that the Commission include the above-stated clarifying language on loop additive to its Order.

Respectfully submitted,



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March 11, 2002

PC Docs # 436924 v2

STATE OF SOUTH CAROLINA                    )  
  ) CERTIFICATE OF SERVICE  
COUNTY OF RICHLAND                        )

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth's Motion for Reconsideration of Order No. 2002-77 in Docket No. 2001-209-C, to be served by the method indicated below upon the following this March 8, 2002:

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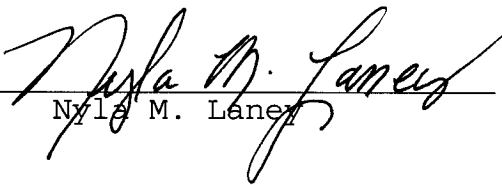
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PC Docs # 401224